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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-05

NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00

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C O N F I D E N T I A L LONDON 03586

DEFENSE FOR ISA AND ODDR&E

E.O. 11652: GDS
TAGS: MARR, MASS, UK, NATO
SUBJ: MULTI-ROLE COMBAT (MRCA) PROGRAM
REF: (A) LONDON 3031; (B) LONDON 762

1. IN ANSWER TO A WRITTEN PARLIAMERTARY QUESTION IN COMMONS, THE GOVERNMENT ANNOUNCED ON 5 MARCH AUTHORIZATION FOR THE MOD TO PROCEED WITH FU/L DEVELOPMENT OF THE AIR DEFENSE VARIANT (AFV) OF THE MRCA. THIS DECISION -- IN THE WAKE OF LAST WEEK'S REPORT BY HOUSE OF COMMORS EXPENDITURE SUB-COMMITTEE ON DEFENSE AND EXTERNAL AFFAIRS (REFTEL A, PAPA 3) AND AN FRG WARNING THAT THE ENTIRE MRCA PROGRAM WOULD BE ENDANGERED IF THE UK DECIDED TO DRO THE ADV -- WILL PLEASE THE RAF AND THE MRCA CONSORTIUM COUNTRIES.

2. THE DECISION TO GO MRCA "ALL THE WAY" ENDS A LONG
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POLITICAL AND MILITARY, AS WELL AS TECHNICAL, DEBATE
AS TO WHETHER MRCA OFFERS A VIABLE AND EFFECTIVE SOLUTION
TO EUROPEAN MILITARY AND INDUSTRIAL NEEDS. THE PROGRAM IS
THE LARGEST MILITARY COLLABORATIVE PROJECT EVER UNDERTAKEN
IN EUROPE INVOLVING A COLLECTIVE ORDER FOR 807 AIRCRAFT.
THE UK'S DECISION TO GO FORWARD WITH THE DEVELOPMENT PRO-
GRAM FOR THE ADV WILL BE INTERPRETED AS EVIDENCE OF BRI-
TAIN'S CONTINUING COMMITMENT TO SUPPORT OF EUROPEAN
COLLABORATIVE MILITARY PROGRAMS. WE KNOW THAT BOTH MASON
AND RODGERS HAVE BEEN KEENLY AWARE OF, AND SENSITIVE TO,
THE "DISASTROUS IMPACT" ON THE EUROPEAN AEROSPACE INDUSTRY
WHICH FAILURE OF THE NRCA PROGRAM WOULD BRING ABOUT.

3. UNDER CURRENT PLANS BRITAIN'S MRCA PROGRAM CALLS FOR
A TOTAL OF 385 AIRCRAFT OF WHICH 220 AIRCRAFT ARE FOR THE
STRIKE-RECONNAISSANCE VERSION AND 165 AIRCRAFT FOR THE
ADV. ACCORDING TO MASON'S STATEMENT DURING A TALK IN HIS
CONSTITUENCY TO THE BARNSLEY CHAMBER OF COMMERCE, THE
BASIC AIRCRAFT'S CU.RRENT ESTIMATED UNIT PRODUCTION COST
IS POUNDS 5.29 MILLION (AT RATES APPLICABLE TO FY 76/77
ESTIMATES) AND THE ADV IS ESTIMATED AT POUNDS 6. MILLION.
/HE ADV REQUIRES DEVELOPMENT OF A NEW A1 RADAR (TO BE
DONE BY MARCOLI-ELLIOTT AND FERRANTI) AS WELL AS AN AIR-
TO-AIR MISSILE. THESE DEVELOPMENTAL PROGRAMS ARE ESTIMA-
TED TO ADD OVER POUNDS 100 MILLION EXTRA TO BRITAIN'S
SHARE OF THE TOTAL DEVELOPMENT COST WHICH THUS FAR HAS
BEEN POUNDS 275 MILLION. MASON EMPHASIZED THAT AT ITS
PROJECTED PEAK THE MRCA PROGRAM WOULD SUPPORT ABOUT 24000
JOBS IN THE UK -- ABOUT 10,000 OF THESE IN THE BRITISH
AIRCRAFT CORPORATION AT PRESTON' ABOUT 6,000 WITH
ROLLS ROYCE AT BRISTOL AND ABOUT ANOTHER 8,000 JOBS IN
BRITAIN'S AIRCRAFT EQUIPMENT AND AVIONICS INDUSTRIES.

4. AS THE ADV DECISION COMES ON THE HEELS OF THE COMMONS
EXPENDITURE CMMMITTEE REPORT WHICH ONLY LAST WEEK NOTED
THAT "WE ARE NOT YET CONVINCED THAT THE ADV OF THE MRCA
IS THE RIGHT AHOICE FOR AIR DEFENSE OF THE UK...OUR IM-
PRESSION IS THAT THE OVERALL PERFORMANCE OF THE ADV WILL
BE INFERIOR TO THAT OF THE F-14 OR F-15, BOTH OF WHICH
WILL HAVE BEEN IN US SERVICE FOR SEVERAL YEARS BEFORE
THE ADV IS EXPECTED TO BE AVAILABLE", THE GOVERNMENT IS
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EMPHASIZING STRONGLY THAT THE ADV GO-AHEAD COMES ONLY
AFTER A MOST "STRINGENT REVIEW" WHICH SHOWS THAT "AN AIR
DEFENSE VARIALT...CONTINUES TO OFFER THE BEST SOLUTION
TO OUR NEEDS". THE MOD HAS BEEN SAYING FOR SOMETIME NOW
THAT ITS ESTIMATES SHOWED THAT THE COST DIFFERENTIAL
BETWEEN THE ADV AND POSSIBLE ALTERNATIVES SUCH AS THE
F-15 AND F-14 "WAS PROBABLY NOT VERY GREAT". IN ANY

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EVENT, IT IS CLEAR THAT APART FROM JUDGMENTS CONCERNING
OPERATIONAL CHARACTERISTICS, COSTS, DELIVERY DATES, ETC.,
"THE CONSEQUENCES FOR BRITISH INDUSTRY FOR NOT BUILDING
AIRCRAFT HERE, THE CONSEQUERCES FOR MRCA, AND THE CORSE-
QUENCES FOR THE FUTURE OF THE EUROPEAN AIRCRAFT INDUSTRY"
WERE GIVEN CONSIDERABLE WEIGHT IN ARRIVING AT THE ADV
DECISION.
ARMSTRONG

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